or refusing to make delivery of the cargo. No doubt it is usual for a shipping company to act on a shipping guarantee when the name of a reputable bank appears upon it, and so in practice, the possession of a shipping guarantee comes to be regarded as the equivalent of a bill of lading since it enables the consignee to obtain delivery of his goods in the same way as if he had actual possession of the bill of lading.

From a practical commercial point of view, therefore, a shipping guarantee issued by a reputable bank is a valuable document and the business community doubtless regard it as such, but the point I have to determine in this appeal is whether it is a valuable security within the meaning of that term as defined in the Penal Code. This depends upon the proper construction of section 30 of the Penal Code, the relevant provisions of which read as follows: "The words 'valuable security' denote a document ..... which is, or purports to be, a document whereby any legal right is created ....." In my view this means that the document must of itself create or at least purport to create, a legal right and consequently if it is necessary to have recourse to matters extraneous to the document itself in order to create a legal right, the document does not come within the scope of the definition. A bill of exchange or similar negotiable instrument is an illustration of a document which of itself creates legal rights. Likewise, a bill of lading, though not in the strictest sense a negotiable instrument, is by mercantile custom a document of title and as such it is a document which by itself creates a legal right within the meaning of section 30. But a shipping guarantee, as I have already pointed out, is, at the time of its execution, no more than a written offer by the consignee and the bank to the shipping company. It does not of itself create a legal right in the holder and indeed, it could, like any other offer, be revoked by the offerers prior to its acceptance by the offeree. It follows, therefore, in my judgment, that a shipping guarantee, at the time it is issued, does not create a legal right and consequently is not a valuable security as defined in the Penal Code.

It remains to consider whether it is a document capable of being converted into a valuable security since such a document would fall within the provisions of section 420 of the Penal Code no less than a document which is actually a valuable security at the time it is made. It is, of course, true that when a shipping company delivers goods to a consignee presenting a shipping guarantee, the company accepts by its conduct the written offer embodied in the guarantee and a contractual relationship then arises between the signatories to the shipping guarantee on the one hand and the shipping company on the other which creates legal rights and liabilities in the parties to the contract. But the legal rights and liabilities which thus come into existence at the moment of acceptance flow from the consensus of the parties and not from any newly-acquired vigour in the shipping guarantee. That document remains unchanged and the only new circumstance is the act of the shipping company accepting the offer and creating a binding contract. The position might be otherwise if something were done to the document itself, such as for example, attesting a signature in order to complete it and give it a legal force which it lacked previously, but that is not the case here. These shipping guarantees were not, when they were issued, valuable securities nor were they, in my judgment, documents capable of being converted into valuable securities in the sense which I have described. It follows, therefore, that the charges brought against the appellant under section 420 fail.

Counsel for the appellant also relied upon certain other grounds of appeal based upon objections to the wording of the charges and arising out of the deletion from the charges of the name of one of the signatories to the guarantee at the end of the prosecution case; but in view of the conclusion I have reached on the main ground of appeal, it is not necessary for me to deal with these further grounds in my judgment.

The appeal is allowed and I order that the convictions be quashed.

Appeal allowed.

Solicitors for the appellant: *Allen & Gledhill.*

WEE JOO SIONG v. REGINA

[A. Cr. J. (Whyatt C.J.) November 1, 1955]

[Singapore — Magistrate's Appeal No. 120 of 1955]

Municipal Ordinance (Cap. 133), s. 211(1) — Charge of storing timber without a licence — "Storage" — Meaning of.

In this case the appellant was convicted under s. 211(1)(m) of the Municipal Ordinance for storing timber without a permit. The evidence showed that the appellant carried on a joinery business at 99 Kampong Java Road and that when the City Council Inspector visited his premises he found about 4 tons of timber on the premises. The appellant in his evidence stated that his practice was to wait until he obtained a contract before purchasing timber and then having obtained the contract, he bought the necessary timber to enable him to fulfil it. He further stated in evidence that it took about a week to turn the timber into the finished article and that the timber found on his premises on the Inspector's visit were for the manufacture of furniture and window frames under contracts with the P.W.D. and the B.O.D.

Held: (1) where materials are brought on to a manufacturing premises as in this case, for the purpose of enabling the manufacturer to meet his contract orders,

it cannot be said that the premises are being used for storing those articles; (2) in this case as it was shown that the timber was brought in the premises not for the purpose of being held in stock but as a necessary and transitory incident of the manufacturing processes which were being conducted on the premises, the premises were not being used for the purpose of storage.

MAGISTRATE'S APPEAL.

L. Rayner for the appellant.

H. B. Livingstone (Crown Counsel) for the respondent.

Whyatt C.J. : —This appeal raises a short but interesting point as to the meaning of storage in section 211 of the Municipal Ordinance.

The appellant carries on a joinery business at 99 Kampong Java Road. The premises are equipped with a large number of wood-working machines of various types and at the time of these proceedings five men were employed in the business. Furniture, window frames and a variety of wooden articles of all kind are manufactured from timber which is purchased by the appellant from time to time and brought on to the premises for the purpose of being fabricated into finished products.

According to the evidence, which was not challenged by the prosecution, the appellant waits until he gets a contract before purchasing timber and then, having obtained a contract, he buys the necessary timber to enable him to fulfil it. He stated in evidence that it takes about a week to turn the timber into the finished article and that at the time of the inspector's visit in this case, there were about four tons of timber on the premises and that he had contracts with the Public Works Department and the Base Ordnance Depot for the manufacture of furniture and window frames.

The question in this appeal is whether the premises at 99 Kampong Java Road on which the timber was being kept in the circumstances which I have described, were being used for storing timber within the meaning of that expression in paragraph (m) of section 211 of the Municipal Ordinance. It was contended on behalf of the Crown that any consumable article which is kept on premises for future use is being stored. But if the provisions of section 211 were construed in this wide sense, it would follow that every householder who brought wood, coal or any of the other articles mentioned in that section on to his premises, and kept them for use in the future instead of consuming them immediately would be storing them and consequently would require a licence from the Commissioners. If the test is merely between future use and immediate use, it cannot matter whether the article is kept for use in the near future or in the distant future, or whether the quantity involved is large or small; everything which is kept for future as opposed to immediate consumption falls within the scope of the section.

In my judgment this view of the meaning of storage in the present context is unsound. Without attempting an exhaustive definition of storage which would be impracticable since it is not possible to have in mind all the instances that may arise, I am of the opinion that where materials are brought on to manufacturing premises, as in this case, for the purpose of enabling the manufacturer to meet his current orders, it cannot be said that the premises are being used for storing those materials. The manufacturer is merely arranging that the raw materials which are necessary to ensure that the manufacturing processes are carried on continuously and smoothly are readily available on the premises; it would be wrong in my view to dissect his business by separating the supply of the raw materials from the manufacturing process and then to treat the former as if it were storage and therefore an end or purpose in itself.

The position might be otherwise if a manufacturer purchased materials in excess of his current requirements; in that event it might well be said he was maintaining stocks of raw materials on the premises and to that extent was using them for storage purposes. But where, as in the present case, the timber is brought on to the premises, not for the purpose of being held in stock but as a necessary and transitory incident of the manufacturing processes which are being conducted on the premises, then in my opinion the premises are not being used for the purpose of storage. Accordingly this appeal succeeds and conviction recorded in the Court below is set aside.

Appeal allowed.

Solicitors for the appellant: *L. Rayner & Co.*

SELAMAT BIN DARMO v. PUBLIC PROSECUTOR

[A. Cr. J. (Wilson J.) October 6, 1955]

[K. L. — Criminal Appeal No. 88 of 1955]

Rubber Supervision Enactment No. 10 of 1937, s. 38 — Prosecutions under this Enactment must be conducted by the Supervisor of Rubber or Deputy Supervisor or an officer appointed under the Enactment and specially authorised to do so.

In this case the appellant was convicted on a charge of purchasing 21 kts. of scrap rubber without a licence contrary to the Rubber Supervision Enactment. The prosecution was conducted by a Police Inspector.

Held: (1) all prosecutions under the Rubber Supervision Enactment must be conducted by the Supervisor or Deputy Supervisor or by any Officer appointed under